# INFORMATION LETTER

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## N.C.A. Speakers Prominent at State Canner Meetings

The record of productive efficiency of the canning industry, its benefit to the consumer, the rising trend of canned foods consumption, and the current N.C.A. Consumer and Trade Relations program were among the subjects covered this week by Association representatives at three state association annual meetings.

President E. E. Willkie appeared as a speaker on the programs of the Maine Canners Association, at Portland, on December 7, and before the New York State Canners and Freezers Association, at Buffalo, on December 10. The C.&T.R. program was discussed by Jack Mullowney of the C.&T.R. Committee at the Minnesota Canners Association meeting at Minneapolis, December 7.

### New York State Canners

Commercial food canners have increased their output per man-hour twice as much as other industries in the past decade, Mr. Willkie told the New York State canners. "This performance results in direct benefits to the consumer," he said. During this same increased cost-of-living decade, the retail price index for canned fruits and vegetables reported by the Bureau of Labor Statistics has risen less by comparison with other foods. The latest index shows these canned products at 104.5 of the 1947-49 base period, compared with 111.8 for all foods and 114.5 for all retail items.

Mr. Willkie asserted that this stable price performance is attributable to the ingenuity and good management of canners, who have increased their productivity and kept their prices relatively stable in the face of steadily increased costs of doing business.

This record can be matched by few American industries, he stated. Canners have increased output per man-hour by almost 50 percent, compared to about a 25 percent gain for industry as a whole. A recent survey estimates that output per worker in all manufacturing industries must climb about 43 percent above the 1950 level. "Our industry already has accomplished most of this gain," he asserted, but he cautioned that even with the great advance in mechanization in canneries, an estimated 30 percent of labor costs in food processing still goes for the handling of materials. He emphasized, therefore, the importance of continued research and effort to develop even more efficient methods and procedures.

Mr. Willkie referred to the many automatic devices that have been perfected in the canning industry—continuous cookers, automatic recorders and others. He paid tribute to New York State for leadership in many of

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## Proposed Rules Relating to Computation of Overtime Pay

The Administrator of the Wage and Hour Division has proposed regulations for the establishment of basic rates of pay to be used in the computation of overtime under the special overtime pay provisions authorized by Section 7(f)(3) of the Fair Labor Standards Act. The text of the proposed regulations, which employers may object to or propose amendments to before they are finally adopted, was published in the *Federal Register* of December 7.

Section 7(f)(3) of the wage-hour law permits, under certain conditions, collective bargaining agreements to specify the wage base on which overtime may be computed, when the Administrator approves such basic rate as being substantially equivalent to the average hourly earnings of the employees over a representative period of time. When such agreements have been approved, the individual's overtime may be computed on this agreed-upon wage base rather than by paying time and one-half based on the individual employee's average straight-time earnings for the workweek.

The proposed regulation sets out all of the standards which must be met for the authorization of such basic rates and the procedures whereby employers may apply for the Administrator's approval of the particular rate established. Interested parties may present their views in writing on the proposed regulation on or before January 6, 1955.

## Committee To Be Created To Study FDA Operations

The Secretary of Health, Education, and Welfare soon will announce the membership of a distinguished committee of citizens who will survey the operations of the Food and Drug Administration and make recommendations of public policy.

The committee membership will include representatives of the food, drug, and cosmetic industries, and outstanding citizens from other walks of life.

This was announced December 8 by George P. Larrick, Commissioner of Food and Drugs. Among the questions to be placed before the committee, he said, are:

What level of inspection is desirable? What programs should receive greater emphasis? What work can be left to the states?

Mr. Larrick said that the FDA staff is inadequate to do what is expected of it, and that "we have reached a point where there are adverse effects on the food and drug industry as well as from the standpoint of consumers."

## Marketing Order on Olives

A final decision against the issuance of a marketing agreement and order regulating the handling of olives grown in California was announced December 7 by the U. S. Department of Agriculture.

The action was based on evidence received at a public hearing at Stockton May 6-14 and at the reopened hearing at Sacramento April 12-13. The USDA announcement stated:

"Issuance of a marketing agreement and order had been proposed by the Olive Growers Committee for a Federal Marketing Order. At the hearing, a wide area of disagreement existed among growers and canners concerning the merits of the proposed program. In announcing today's decision, Department officials said that 'the successful operation of the program proposed for the canning olive industry would require substantial support by both growers and canners.'"

## Bean Station Manager Ruled Not Employee of Canner

The Internal Revenue Service has recently ruled that, under the particular facts of the case being considered, a manager of a bean station who acted for a canner in arranging with local growers for the production and delivery of beans, in distributing seed to the growers, in receiving, weighing and tagging beans delivered to the station, and in general assistance in the loading, was not an employee of the canner for social security tax purposes.

It was also ruled that the bean station manager, since he was engaged in a trade or business which did not qualify as "agricultural labor," was required to pay social security taxes as a self-employed individual on his earnings from these activities.

The ruling of the Internal Revenue Service was made public in Revenue Ruling 54-573, December 6. Copies of the full text of this ruling may be obtained on request from the Internal Revenue Service.

## Tuna Industry Tests Legality of Trade Agreements Program

The Southern California tuna industry has commenced formal proceedings under Section 516(b) of the Tariff Act of 1930 to have the Secretary of the Treasury reclassify the dutiable status of imported canned tuna in brine.

The application, filed last week with the Secretary of the Treasury by counsel retained by the tuna industry, not only challenges the validity of the present classifications of tuna in brine, but also the constitutionality of the entire reciprocal trade agreements program.

Experts on trade agreements legislation believe this is one of the very few opportunities which has permitted a challenge of the constitutionality of the trade agreements legislation in the 20 years that such legislation has been in effect.

Basis for the action commenced by the tuna industry is that the Trade Agreement with Iceland, negotiated in 1943, and in accordance with the provisions of which tuna in brine has been held to be dutiable at 12½ percent ad valorem, could not be applicable to imports of canned tuna, inasmuch as the Trade Agreement states that it is applicable to articles which are "the growth, produce or manufacture of Iceland . . ." Tuna in brine never has been produced in Iceland.

The constitutionality of the trade agreements legislation is challenged on the ground that trade agreements actually are treaties and as such must be ratified by a two-thirds vote of the Senate; that the right to levy and collect import duties is expressly reserved to the Congress; and that the delegation of the power to the President to negotiate such agreements therefore is unlawful.

It is expected that the case may have to be carried ultimately through the U. S. Customs Court, the Court of Customs and Patent Appeals, and the Supreme Court.

## Canadian Market Data

Extensive information on the Canadian market is presented in a new report, *Marketing Data 1951*, issued by the Dominion Bureau of Statistics.

The report is based on results of Canada's 1951 censuses of population, agriculture, housing, manufacturing, and distribution. The report includes tables relating to commodity figures prepared from analysis of sales reported by a large sample of the 151,626 retail stores in operation in 1951.

The publication may be purchased from the Queen's Printer, Ottawa, for C$1 a copy.

## News and Radio Releases

Numerous advantages of canned foods to the consumer were recently pointed up in the following series of news feature and radio releases as part of the continuing Consumer and Trade Relations program:

To 178 broadcasters, listening audience 12 million, "Kitchen-Air" featuring the many opportunities in canned foods for holiday meal serving.

To 179 broadcasters, listening audience 11 million, "Timely Talks" emphasizing the time-saving factors of canned foods holiday meal preparation.

To General Features Syndicate (36 papers, circulation 2,224,372) a photo and feature story stressing the freshness of canned foods. A pantry shelf is depicted with a variety of fruits and vegetables in tin and glass containers. Theme of the text is that not all consumers can grow vegetable gardens outdoors, but can have a vegetable garden—the most varied in the world—on the pantry shelves, made up of containers of canned foods, "every last one of which is raised and processed with all the care and skill the industry can command—every last one of them makes good eating all through the year."

## Orange Juice for USDA

The U. S. Department of Agriculture has announced that it contemplates purchasing concentrated orange juice (except that made from navel oranges) of the 1954-55 season pack for distribution in the National School Lunch Program.

Offers may be submitted for the sale of U. S. Fancy grade, Style I, concentrated orange juice packed in No. 3 cylinder cans or 32-ounce cans.

Offers should be addressed to the Director, Fruit and Vegetable Division, Agricultural Marketing Service, USDA, Washington 25, D. C., by December 20, for acceptance by December 22.

Delivery will be required during the period January 10 through February 12.

## 1954 Pack of Lima Beans

The 1954 pack of canned fresh lima beans totaled 3,951,576 actual cases compared with the 1953 pack of 3,377,230 cases, according to a report by the N.C.A. Division of Statistics.

On the basis of standard cases of 24/2, the 1954 pack amounted to 3,519,743 cases compared with 3,085,072 cases in 1953.

| State | 1953 | 1954 |
|---|---|---|
| | (actual cases) | |
| Maryland | 244,062 | 238,466 |
| Delaware | 706,695 | 867,274 |
| Pa. and N. J. | 79,279 | 84,458 |
| Ohio | 25,700 | 61,230 |
| Wisconsin | 632,343 | 870,967 |
| Other states | 1,309,151 | 1,829,152 |
| U. S. Total | 3,377,230 | 3,951,576 |

## This Week Magazine

Clementine Paddleford's food page in the December 5 issue of *This Week* magazine told of her trip to Yakima, Wash., for a "Pear Party," which was the title of her article.

For the "canned-pear-dish sampling," Miss Paddleford was a guest in the home of Mr. and Mrs. Alva Strausz, a pear grower of the Northwest region. "The guests," said the author, "were bigwigs of the pear world." Included were Charles Rowe and Fred Westberg of the Washington State Fruit Commission.

The article describes a luncheon featuring dishes made from canned pears. Recipes were given for a canned pear salad, pie, and fritters. Two photographs showing Mrs. Strausz and Mrs. Westberg preparing recipes accompanied the article.

## Family Weekly Magazine

On December 5 the *Family Weekly Magazine* carried the article "Around The Clock with Canned Meats" by Melanie De Proft, food editor of the magazine and director of the Culinary Arts Institute.

Miss De Proft began: "Easy, quick, flavorful and nutritious, canned meats are a treasure-trove for the busy homemaker. Stock a cupboard shelf with these versatile foods and use them with assurance for any meal of the day or evening. Fancy them up for luncheon or dinner or afternoon parties and keep them on hand for teen-age raids on the pantry. Encourage the man of your house to develop his budding culinary talents around canned meats. Yes, canned meats are short cuts to quality cooking . . . meals in minutes, and what meals!"

The article was attractively illustrated with both color and black-and-white photographs, and contained 24 recipes, each using canned meats. The recipes used a total of 42 canned foods.

*Family Weekly Magazine* is distributed with 32 Sunday newspapers and has a circulation of about 620,000.

## Fresh Flavor Applesauce

Canned applesauce with a distinct fresh apple flavor and just enough tartness for an appetizing tang is the most recent food product to result from the use of fruit essence recovered by a process developed by the Eastern Regional Research Laboratory of USDA.

Working cooperatively with a commercial concern, the USDA research scientists added to applesauce an essence made from peels and cores. A trained test panel and consumer tasters much preferred the sauce with essence added. They also liked sauce made slightly more tart with a bit of citric acid. The sauce with essence and acid added rated much better than sauce without these additions after nine months' storage.

The new applesauce is not yet on the market. A problem still to be solved is a method for adding the essence during the processing of the sauce. Another question is whether consumers will be willing to pay slightly more for its "more appetizing" flavor.

Products in which the apple essence already has been used are certain jellies, candies, ice cream, and apple pies.

## Forthcoming Meetings

January 3-6—Ontario Food Processors Association, Canners School, Ontario Agricultural College, Guelph

January 5-8—Utah Canners Association, Canners School, Provo (Jan. 5-6) and Ogden (Jan. 7-8)

January 9-13—Super Market Institute, Midyear Meeting, Boca Raton Club, Boca Raton, Fla.

January 11-13—Illinois Canners Association, Canners School, University of Illinois, Urbana

January 12-13—Iowa-Nebraska Canners Association, Canners Conference, Iowa State College, Ames

January 12-13—Northwest Canners Association, Annual Convention, Olympic Hotel, Seattle

January 17-19—Michigan Canners and Freezers Association, Canners School, Michigan State College, East Lansing

January 18-20—Tri-State Packers Association, Sixth Annual Management Workshop, College Park, Md.

January 25-26—Wisconsin Canners Association, Canners School, University of Wisconsin, Madison

January 26-28—Indiana Canners Association, Fieldmen's and Canners School, Purdue University, Lafayette

January 27-28—Canners League of California, Annual Fruit and Vegetable Sample Cutting, Fairmont Hotel, San Francisco

January 31-February 1—Tri-State Packers Association, Fieldmen's School, University of Maryland, College Park

January 31-February 3—Ohio Canners Association, Canners' and Fieldmen's Conference (Jan. 31-Feb. 1) and Canners' Short Course (Feb. 2-3), Ohio State University, Columbus

February 1-2—Minnesota Canners and Freezers Association, Eighth Annual Canners and Fieldmen's Short Course, Leamington Hotel, Minneapolis

February 2-4—Pennsylvania Canners Association, 10th Annual Fieldmen's Conference, Pennsylvania State University, State College

February 8-9—New York State Canners and Freezers Association, Canners School, New York Experiment Station, Geneva

February 14-16—Canadian Food Processors Association, Annual Convention, Seigniory Club, Montebello, P. Q.

February 15-18—National-American Wholesale Grocers Association, 49th Annual Convention, Hotel Morrison, Chicago

February 18—National Pickle Packers Association, Winter Meeting, Drake Hotel, Chicago

February 19-23—National Canners Association, 48th Annual Convention, together with National Food Brokers Association and Canning Machinery and Supplies Association, Chicago

March 4-5—Virginia Canners Association, 47th Annual Convention, Hotel Roanoke, Roanoke

March 10-11—Tri-State Packers Association, Spring Meeting, Haddon Hall, Atlantic City, N. J.

March 10-11—Ozark Canners Association, Annual Meeting, Colonial Hotel, Springfield, Mo.

March 13-16—National Association of Frozen Food Packers, Annual Convention, Conrad Hilton Hotel, Chicago

March 25-26—Utah Canners Association, 43rd Annual Convention, Hotel Utah, Salt Lake City

March 28-29—Canners League of California, 51st Annual Meeting, Santa Barbara Biltmore, Santa Barbara

May 1-4—Super Market Institute, Annual Meeting, Cleveland

May 15-18—U. S. Wholesale Grocers Association, Annual Convention and Exposition, Miami Beach, Fla.

June 12-13 Michigan Canners and Freezers Association, Spring Meeting, Park Place Hotel, Traverse City

June 23-24—California Olive Association, Technical Conference, Brockway, Lake Tahoe

## C. R. Carry Leaves N.C.A. To Head Fish Canner Group

Charles R. Carry, Director of the N.C.A. Fishery Products Division since 1946, has resigned to accept a position as executive director of the California Fish Canners Association, Inc., Terminal Island, Calif.

His resignation takes effect December 31, as he hopes to take over his new duties shortly after the first of the year.

Except for a three and a half-year leave of absence during World War II for service in the Processed Fruit and Vegetable Price Section in OPA, Mr. Carry has been with the Association since 1940. He served first in the Claims Division under Assistant Secretary Henry Loomis. Following his wartime service in OPA, during the course of which he rose to the position of Chief of the Processed Fruit and Vegetable Section, Mr. Carry returned to the Association where he and Miss Margaret Park were designated by Secretary Carlos Campbell to organize a new Fishery Products Division to handle the specialized problems of N.C.A.'s fish canner members. Mr. Campbell appointed Mr. Carry Director of the Division, the post he has occupied for the past eight years.

The California Fish Canners Association, Inc., with headquarters at Terminal Island, Calif., is made up principally of canners of tuna, sardines, and mackerel, located in the San Diego, San Pedro-Long Beach area. The Association was reorganized last October 1, and absorbed the Tuna Research Foundation as a division within the Association. Mr. Carry has been appointed executive head of the combined organization.

In commenting on Mr. Carry's appointment, Secretary Campbell stated:

"While we are always reluctant to lose any of our long-time employees, we nevertheless feel complimented that the C.F.C.A. has seen fit to ask a member of our staff, Mr. Carry, to direct the organization's activities. His appointment can only serve to strengthen the long-time bond of friendliness and cooperation between the California Fish Canners Association and N.C.A. We believe Mr. Carry's long experience with fish canners' national and international problems and his knowledge of the functioning of a trade association in the handling of such problems will serve to strengthen the already effective program of the C.F.C.A. We wish them both the greatest of success in ther future endeavors."

It is hoped that the announcement of a successor to Mr. Carry can be made in the near future.

## Tri-State Packers Assn.

The Tri-State Packers Association elected the following officers recently at the association's annual convention:

President—Harvey J. Jarboe, Harrison & Jarboe, Sherwood, Md.; first vice president—John Maggioncalda, Minot Food Packers, Inc., Bridgeton, N. J.; second vice president—David S. Johnson, Lord-Mott Co., Inc., Baltimore; secretary—John W. Rue, Easton, Md. (reelected); treasurer—Mrs. Edith Lee Porter, Easton, Md. (reelected); assistant secretary—Gene Stedman, Easton, Md. (reelected).

## State Canner Meetings

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these important and revolutionary canning innovations. Among these he named automatic corn huskers and cutters, the first pea viner, first rotary capping machine, and the development of the modern sanitary can. "Such units of increased efficiency and productivity are not confined to the factory; they are appearing in the harvest field too. Canners in New York State have contributed importantly to the development of the sweet corn harvester and the green bean harvester," he pointed out.

"But progress will demand even greater efficiencies. Consumer needs and wants will set the pace of our industry as they have in the past. It will be our job to meet and somehow surpass the pace we have set for ourselves," he stated.

### Maine Speech and Radio Interview

A rise of 18 to 20 percent in food consumption in the next 10 years seems indicated, Mr. Willkie told members of the Maine Canners Association. He held this out as a promising opportunity for canners.

Population growth alone will create a 15 percent rise in total food consumption, Mr. Willkie stated. "And, with relatively high income, the trend in America is to eat more. These factors combined could see the demand for food increasing in the next decade by 18 to 20 percent," he said.

"Everything in the future indicates that canned foods will continue to occupy an important place in the food economy of the nation. This, of course, will depend on a continuance of the industry's skill in both production and selling. Our record of constantly increased productive efficiency is one of the best among all industries. Our output per man-hour is about 50 percent higher than 10 years ago, a strikingly rapid rise when you consider that the average business increases its productivity about 2 percent a year. The canning industry has averaged closer to 5 percent," he asserted.

Mr. Willkie also appeared over Portland radio station WGAN in an interview with Jane Lauten arranged for by the Information Division. In the program entitled "Points and Pointers" Mr. Willkie stressed the diversification and the wide variety of canned foods, enumerating recent new products that have now swollen the total of canned foods to more than 500. He pointed out the opportunity this gives the housewife to serve gourmet meals. He showed also how the canner gears all phases of his operation to the likes or dislikes of the housewife, detailing the care taken in achieving raw product quality, scientific processing and other quality factors.

The Information Division issued press and radio-TV releases on highlights of the addresses of Mr. Willkie to 33 newspapers and 20 radio-TV stations in Maine; 249 newspapers and 137 radio-TV stations in New York, as well as to the national and state branches of the wire services, and the canning trade journals.

### Minnesota Canners Association

The series of color slides depicting progress of the current N.C.A. Consumer and Trade Relations program was presented to the Minnesota canners by Jack Mullowney of the C.&T.R. Committee. The slides illustrate the numerous steps that have been taken since the promotion was authorized by the Board of Directors at the last N.C.A. Convention and demonstrate various methods by which individual canners can tie their own individual merchandising efforts into the campaign, and can use the numerous materials that have been prepared and distributed.

Mr. Mullowney's presentation was preceded by an introduction by R. C. Cosgrove, who had been a member of the N.C.A. Committee engaged in the studies of ways and means of promoting increased public acceptance of canned foods, culminating in authorization of the current C.&T.R. program.

### Dr. Stier Speaks

Dr. Howard L. Stier, Director of the N.C.A. Division of Statistics, spoke at three meetings recently.

He addressed the fall meeting of the Operations Research Society of America on "Some Applications of Operations Research in the Production and Processing of Food."

At the annual meeting of the Tri-State Packers Association December 3 Dr. Stier spoke on "The Supply and Demand Status for Canned Corn."

He also attended the annual meeting of the New Jersey State Horticultural Society and spoke at the General Vegetable Session on "Where Is the Market?" Dr. Stier represented the processing market.

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